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DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO

AQOJ

MAY 2 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS
COMMANDERS, DCMC CONTRACT ADMINISTRATION
OFFICES**

SUBJECT: Field Comments on Draft One Book Chapters

In January we published drafts of One Book chapters which were rewritten under the current reengineering effort. Everyone in our organization was invited to provide their comments and perspectives electronically, and over 500 persons responded. Even more comments were provided from our District offices and others interested in improving the Contract Management process.

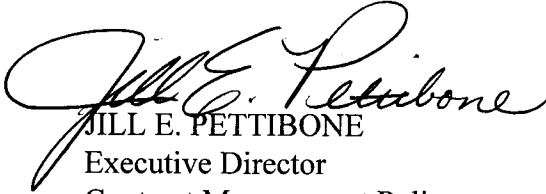
Since that time, the policy owners at DCMC Headquarters have reviewed every comment. Many of you have already been contacted to discuss your input, and we will continue to discuss suggestions as improvements are made to the draft chapters. As the chapters progress toward the final product, however, we wished to provide you with an executive summary of the impact of your comments.

We found your comments to be very helpful. They provided a perspective of experts in the field who are dealing with all levels of processes day in and day out. Overall, we incorporated all the editorial comments and most of the minor ones. We found many valuable suggestions that are better applied at the guidebook level. In some cases, major comments have had a substantial effect on a chapter. A good example is the suggestion to incorporate both District and HQ points of contact for each chapter. We will be incorporating this suggestion, and hope it makes getting to the right person easier when you need some help or just have a question. Additional examples of suggestions incorporated into the chapters are attached for your information.



We appreciate the efforts of all who responded with comments to the draft chapters. As we continue to update or provide status on the DCMC Homepage, we welcome your comments. We also look forward to the publication of the reengineered One Book....a document which will combine the expertise of our Contract Administration professionals with the latest in automation techniques.

For further information on this summary, contact Ms. Kathy Zalonis, AQOJ, at commercial 703-767-2365 or DSN 427-2365.



JILL E. PETTIBONE
Executive Director
Contract Management Policy

Attachment

Dispositioning of Web Comments

Process Oriented Contract Administration Services (PROCAS):

20 Responses received

Chapter was revised to add analyzing process data language and risk analysis statement. Incorporation of Policy Letter 85-96 removed requirements for DCE reporting of Sharing of Best Corporate Practices.

Risk Assessment:

10 Responses received

Comments are being evaluated in light of chapter update.

Single Process Initiative (SPI):

9 Responses received

Comments incorporated addressed Management Councils: Level of representation, IPT methodology, establishment and use beyond SPI.

A few comments were not incorporated since the requested change was more appropriate to include in a future Guidebook.

Contingency Contract Administration Services (CCAS):

One Response received

Information already contained in DCST Handbook and CCAS Chapter.

Early Contract Administration Services (CAS):

Editorial comments; many reflecting on level of detail in the chapter.

Chapter is being rewritten to reflect DCMC policy change and incorporate existing policy letters; comments will be evaluated during rewrite.

Industrial Analysis Program:

5 Responses received

All editorial in nature; most were incorporated.

Property:

Chapter changes on hold pending FAR changes; comments will be evaluated during rewrite.

Ethics:

2 Responses received

Clarifications were incorporated to chapter.

Contractor Performance Measurement:

6 Responses received

Feedback was mostly editorial and minor. Most of the suggestions were incorporated into the chapter. Several suggestions having to do with training and contractor “certification” were also included. One suggestion that EVMS requirements be extended to Firm Fixed Price contracts, to facilitate progress payment analysis, was not included. This comment is not in consonance with DoD 5000.2, and would reduce EVMS to a data report vice a management tool. The chapter also had parts rewritten to account for changes in DoD and DCMC policy.

Accounting System Reviews:

3 Responses received

This chapter is being incorporated into the EVMS chapter; comments will be evaluated during rewrite.

Preaward Surveys:

24 Responses received

All considered minor or editorial and have been incorporated into the chapter, or earmarked for inclusion in the Guidebook.

Engineering Design and Development:

48 Responses received

Most of the changes made concerned surveillance plans.

Six of the comments were not agreed with and not incorporated (regarding subcontracts, CDRLs, personnel requirements and deletion of two paragraphs).

Test Evaluation and Management:

52 Responses received

Most comments were associated with personnel certifications, development of a surveillance plan, and what phases T&E applies to. Twenty (of 22) major comments were incorporated; the remaining were considered too prescriptive in nature and thus more appropriate for future guidebooks. Twenty-eight minor or editorial comments were incorporated.

Software Development Surveillance:

One (minor) response received and incorporated into chapter.

Navy Special Emphasis Programs:

2 Responses received

Considered to be major and incorporated into chapter. The comments regarded teaming, addition of Navy Nuclear Propulsion Program title, acknowledgment of inspections by QARs and PLAS codes.

Nondestructive Testing, Non-Nuclear:

5 Responses received

Comments indicated concern with consistent use of terminology between DLAD/DLAI and the chapter. All comments were incorporated.

NASA Support:

5 Responses received

Mostly editorial and minor which were adopted; resulted in some clarifications to the chapter.

Product and Manufacturing Assurance:

86 Responses received

Overall, major impact to the chapter. 76 of the changes were administrative or minor in nature. Significant changes made in the following areas: new policy pertaining to flight critical parts/safety of flight; added emphasis on inspection/acceptance requiring personnel inspecting products to be trained; new policy on environmental awareness; and a new requirement to list and prioritize high risk critical processes for process proofing.

Packaging:

5 Responses received

Overall impact to the chapter: incorporated teaming emphasis, added additional information to process mechanisms, controls and PLAS reporting codes, added Supply Discrepancy Reports and Contract Data Package Deficiency Reports.

Flight Operations:

5 Responses received

Comments accepted which added emphasis on risk assessment, added information on review of procedures, team responsibilities, training, mishap response and certifications.

Environmental Support Program:

2 Responses received

Comments accepted which adopted variation of suggestion for PLAS code and added additional detail as suggested by District Environmental Managers.

Configuration Management:

6 Responses received

Overall impact to the chapter: adopted multiple recommendations that clarified DCMC participation in MRB actions.

Parts Control Program:

3 Responses received

Overall impact: clarifications of nonstandard parts, DD Form 1716 and subcontractor support.

Value Engineering:

5 Responses received

Half of the comments were accepted; suggestions which were not included required a regulatory change, or attempted to restrict review or surveillance responsibilities.

Technical Data:

4 Responses received

Comments incorporated which clarified Shipment Authorization, added environmental considerations, emphasized customer interactions and updates and need for elevated corrective action.

Reliability and Maintainability:

9 Responses received

All comments incorporated; major impact was to require documentation of contract review.

GIDEP:

2 Responses received

Major impact: added Metrology Data, Reliability Data and Engineering Data and related information throughout the chapter. Also clarified PLAS point of count.

First Article Testing:

6 Responses received

All were considered minor or editorial. Comments resulted in changes to the areas of Post-Award Conferences and surveillance planning.

Integrated Logistics Support:

38 Comments received

Most comments addressed separating provisioning and ILS into two chapters, giving ILS more detailed coverage and information on surveillance. As a result of the comments, the topics have been separated into two chapters. Suggestions which were deemed too detailed for the chapter included information on primary logistics elements, life cycle cost and submission of a new flowchart. These comments will be re-addressed during development of a guidebook.

Contract Safety Requirements:

6 Responses received

Major impacts to On-Site reviews, added “ships” to facilities and lease contracts, added “industrial” qualifier to explosives. A number of minor suggestions were also incorporated to the draft.

Contractor Traffic Management:

2 Responses received

Minor comments which addressed TRAMS, and DAWIA certification.

Comments were incorporated into chapter; TRAMS update will be made when system is fully implemented.

Customs and Duties:

4 Responses received

90% of the comments provided were of a "Major" nature, 5% were "Minor" and related to the working process of the DoD Customs Duty Free Entry process through the contracting and procurement process and how it interfaces with the Department of the Treasury, Customs Division. It shows the requirements for ACO entry of contract data into CDFMS, and, depending on the destination of the material, the customs duty free entry process required. One suggestion to reference North American Free Trade Agreement Country End Products was not incorporated because it is awaiting DAR Counsel action. These changes will clarify the DoD Customs Duty Free entry process from the entry of the contract information into the database to the processing of entry paperwork when the material physically arrives at a U.S. Customs port in the United States.

Shipment Processing, Review and Cost Analysis:

4 Responses received

50% of comments were considered major with the balance editorial. The chapter will be broken out into two separate chapters, one which will address Shipment Processing and the other to address Shipment Cost Analysis.

Contract Receipt, Review and Postaward Determinations:

4 Responses received

Chapter was revised to incorporate comments about Postaward Orientation Conferences; a number of suggestions were not incorporated regarding teaming, process centralization, delegations for supporting contract administration, use of Process Improvement Network and additional detail. These suggestions were deemed either in conflict with present policy or regulation or otherwise inappropriate for inclusion.

Types of Contracts:

2 Responses Received

Two minor changes incorporated to Cost Sharing and Time and Material Contracts; one editorial comment was not incorporated as it does not relate to policy.

Industrial Security:

One Response received

One editorial comment which is under review.

Novations and Change of Name Agreements:

2 Responses received

Editorial comments adding additional hypertext links and additional clarification to Policy, Process Inputs and evaluation of contractor's novation package. A suggestion for a checklist was not added.

Forward Pricing Rate Agreements:

12 Responses received

Comments resulted in editorial changes such as re-numbering subindented paragraphs for clarity and ease of application. Major impact: Paragraphs 1,2, 3 and some portions of 4 were rewritten to incorporate suggestions and new policy.

Consent to Subcontract:

Responses are minor and editorial; chapter is being rewritten to conform to interim FAR rule changing the consent process; comments will be considered in rewrite.

Should Cost Reviews:

2 Responses received

Editorial comments incorporated; other considered but not incorporated.

Cost Accounting Standards:

7 Responses received

Response on multiple issues referred to appropriate process owners; vast majority of others incorporated; one deferred pending CAS Board position.

Field Pricing Support:

10 Responses received

Majority of comments incorporated; those suggesting additional information appropriate for linkage to more detailed information (e.g., guidebook) or another source.

Price Negotiations:

13 Responses received

Of the specific comments, half were editorial and generally incorporated; other comments were incorporated in Field Pricing Support chapter; rest related to review and approval of PNM - substance of DCMC Policy Memo 97-14 on subject was incorporated.

Disputes and Appeals:

3 Responses received

Two incorporated; one more suitable for document with more detailed information than One Book.

Monitoring Costs:

DFARS change resulted in deletion of chapter.

Notice of Intent to Disallow Costs:

4 Responses received

All comments were incorporated into chapter; affected areas include environmental costs and Board of Review procedures.

Defective Pricing:

6 Responses received

All (most editorial) incorporated.

Travel by Contractor Personnel:

1 Response received

Comments were all editorial and were incorporated.

Contractor Purchasing System Reviews:

10 Responses received

Mostly editorial and majority were incorporated; those dealing with organization of the One Book and chapters in general were retained for future use; all comments considered major were incorporated.

Contractor Insurance/Pension Reviews:

3 Responses received

All incorporated including critical list of references.

Contractor Estimating Systems:

6 Responses received

Included several major comments; all incorporated.

Material Management and Accounting Systems:

7 Responses received

Mostly comments in minor category - most incorporated; all major and editorial comments incorporated.

Contract Audit Followup:

5 Responses received

Concur with comments; will be incorporated into chapter.

Advance Payments:

1 Response received

Concurred with comments; will be incorporated.

Progress Payments:

Several responses received

Over half were major; most of those dealt with compatibility with MOCAS or clarity of coverage and were incorporated into chapter; all editorial comments incorporated.

Performance Based Payments:

Several responses received

Comments incorporated throughout chapter.

Public Vouchers:

2 Responses received

One general to the One Book deferred; other incorporated.

Voluntary Refunds:

1 Response received

Issue discussed with appropriate parties but change to One Book process not appropriate at this time.

Terminations for Convenience:

3 Responses received

One comment incorporated; others deferred to guidebook level with more detail about procedures.

Contract Closeout and Final Payments:

12 Responses received

Most comments incorporated as is or in modified form.

Patents and Royalties:

3 Responses received

All comments considered minor; most incorporated.

Establishing Final Overhead Rates:

3 Responses received

One Minor, one Major, one unclassified. All accepted and being incorporated into the chapter.

Customer Satisfaction:

Editorial - 8

Major - 10

Minor - 7

Most comments were accepted; major comment addressing need for postcard trailers is on hold pending implementation of the automated metrics system.

Customer Support Network:

4 Responses received

All were accepted; resulted in clarifications and additions to purpose and reporting requirements of customer support network.

Program Integration Network:

17 Responses received

Primarily editorial or minor changes which were adopted; clarified MOA use but did not adopt more prescriptive language for contents of MOAs.

Customer Returns:

9 Responses received

Mostly editorial or minor. Virtually all were incorporated. and resulted in major changes to title of chapter, clarification of titles, and PLAS reporting code.

Corporate Training Strategy:

3 Responses received

More than 50% of changes were editorial. All were adopted. About half of the comments represent proposed changes to the specific guidance. One change proposed an Individual Development Plan form be hyperlinked. This is a standard form which should not be included in the One Book. Additionally, other automated systems are being evaluated to automate the IDP/training process.

Needs Assessment:

3 Responses received

Two minor changes to provide clarity to the policy guidance were incorporated.

The remaining issue requires Command consideration and has yet to be determined.

Training Development and Management:

4 Responses received

Generally, 30% of the comments were proposing specific changes. All the specific changes were adopted. The changes were minor in nature and provided clarity to the guidance. The remainder were philosophical in nature.